

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6319

BILL NUMBER: HB 1248

DATE PREPARED: Nov 15, 2000

BILL AMENDED:

SUBJECT: Tort Claims Against Governmental Entities.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases the combined aggregate liability of all governmental entities and public employees under the law concerning tort claims against governmental entities and public employees: (1) from \$300,000 to \$1,250,000 for injury to or death of one person in any one occurrence; and (2) from \$5,000,000 to \$10,000,000 for injury to or death of all persons in that occurrence.

Effective Date: January 1, 2002.

Explanation of State Expenditures: This bill will potentially increase the damage awards that governmental entities would pay as a result of successful lawsuits filed against the state and political subdivisions of the state and public employees. Under current law, damage awards cannot exceed \$300,000 for the injury to, or death of, one person in any one occurrence and \$5 million for the injury to, or death of, all persons in that occurrence.

The Office of the Attorney General reports the amount of damages paid as a result of tort claims submitted and tort claim lawsuits filed against the State and by plaintiffs in tort and civil rights litigation between CY 1995 and CY 1999 as follows:

<u>CY</u>	<u>Damages Paid</u>
1999	\$ 5,052,346
1998	\$ 2,935,075
1997	\$ 3,438,230
1996	\$ 5,742,977
1995	\$ 6,362,071

The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and as a result of a court order. It also includes cases in both federal and state court.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill could increase the damage awards that local entities would be required to pay as a result of a successful lawsuit. Under current law, damage awards cannot exceed \$300,000 for the injury to, or death of, one person in any one occurrence and \$5 million for the injury to, or death of, all persons in that occurrence. This bill will raise the maximum award for the injury or death to one person from \$300,000 to \$1.25 million. It will raise the maximum award for the injury or death of all persons in that occurrence from \$5 million to \$10 million.

Explanation of Local Revenues:

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected: Counties, cities, and towns.

Information Sources: Dan Dovenbarger, Office of the Attorney General, (317) 232-6201.